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# Had no intent to bilk clients, Rewald insists

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Ronald Rewald suggested yesterday that had he intended to defraud investors in his firm he would not have accepted investments from family and employees, and he would have fled with \$680,000 in cash instead of attempting suicide on July 29.

But the bankruptcy trustee in the case countered last night that Rewald's operation was "a fraud, an absolute scam, and it is an absolute disservice to the public and those who may hope to get their money back for Rewald or his attorney to represent what was going on as legitimate."

Rewald — who contacted The Advertiser last night through his attorney, Robert A. Smith — says there is no need for the \$10 million bail in his theft case because he has no money stashed away so he cannot flee.

Smith said some of Rewald's points are included in documents filed Friday in federal court.

Those points are in the "confidential" portions of the court filing, Smith said, but they themselves do not involve classifiable information. The court has sealed for government review any filings relating to any connection between Rewald and the CIA or to other classifiable matters.

Rewald's company appears to have been used at least as a mail and telephone "drop" for

five CIA "cover" entities.

Hayes confirmed yesterday that many of Rewald's relatives and employees were among those who lost funds as investors. However, he said, that fact does not prove Rewald innocent.

Smith also raised a new argument about Rewald's intentions: "If he intended to bilk the company of money for his own personal gratification, there was \$280,000 in Hawaii National Bank and \$400,000 in a payroll account on July 29 which he could have taken" and fled instead of attempting suicide.

It is Hayes's position that Rewald spent much of the company's money on himself over a long period of time, and he finally was about to be caught. "If things were going so well on July 29, why did he attempt suicide?" Hayes asked.

Rewald also said that Hayes told him during Rewald's visit to the company offices two weeks ago that he believed he could account for "every penny" of the money that came through the firm, and that he said it had all been spent.

"That," Smith contends, "does away with the notion that there are vast amounts of money stashed away. And that in turn does away with the argument for a high bail" on grounds Rewald is so rich he could meet a lower bail and flee, Smith said.

Rewald's argument holds water, Hayes said, only if you assume that Rewald got only

money that first hit the company books.

Rewald yesterday also "corrected" information from his affidavit. He says he believes his personal net worth is \$4 million, not \$3 million, and that Bishop, Baldwin, Rewald, Dillingham and Wong is due \$175,000 in commissions from a trading company in the Far East, not half that amount as reported. Rewald's and the firm's assets have been frozen by the court.

Rewald also augmented the record on his education. He said he received a degree from a junior college in Wisconsin, and then, in the mid-1960s, took at least three night courses from Marquette University.

Rewald reportedly had claimed earlier that he was graduated from Marquette.